



**HOUSING &
PLANNING**

Housing Development Assistance Programs Annual Review and Update

November 17, 2020
Housing and Planning Committee
City of Austin

Agenda

- Program Review
- FY2020 Report
- FY2021 Update



Program Review



Program Review

- Rental Housing Development Assistance (RHDA)
- Ownership Housing Development Assistance (OHDA)





Rental Housing Development Assistance

- Gap Financing for Rental Developments
- RHDA Assisted Units – Affordable <50% MFI
- Process aligns awards with Strategic Housing Blueprint
- Fund Sources:
 - HOME (CHDO)
 - Housing Trust Fund
 - Geographically restricted funds (UNO, HPRZ, etc.)
 - General Obligation Bonds



Ownership Housing Development Assistance

- Gap Financing for Ownership Developments (Condos, Single-Family Detached units, Townhouses, etc.)
- OHDA Assisted Units – Affordable <80% MFI
- Aligns with Strategic Housing Blueprint
- Fund Sources:
 - HOME (CHDO)
 - Housing Trust Fund
 - Geographically restricted funds (UNO, HPRZ, etc.)
 - General Obligation Bonds

Fiscal Year (FY) 2019-2020 Report



FY19-20

- Funding Award Review
- Units Funded
- Units Leased





FY19-20 Funding Awards

- 12 RHDA Developments
- 5 OHDA Developments
- \$25,722,722 Awarded to RHDA
- \$5,545,858 Awarded to OHDA
- 14.79% Average Leverage Ratio



FY19-20 Units Generated

- 1557 Total units Developed
- 814 RHDA Units
 - 125 Dedicated to CoC
- 289 OHDA Units
- 354 Non-AHFC Units





FY19-20 Units Leased/Sold

- 272 RHDA units leased
 - Terrace at Oak Springs – 50 CoC Units
- 20 OHDA units sold



FY2020-2021 Program Update



FY20-21 Program Review

- Annual Review of Guidelines
- Housekeeping Issues
- Programmatic Changes

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Housekeeping Issues

- Project → Development
- NHCD → HPD
- Clarifying language – Worked with Law Department to improve clarity



Programmatic Changes

- Application Pre-requisites
- Loan Typologies – Acquisition, Pre-Development
- Loan Terms
- Continuum of Care
- Lease Addendum
- Tenant Selection Policies



Application Pre-requisites

- S.M.A.R.T. Housing Certification
- Affordability Unlocked Certification
- Zoning
- LIHTC
 - Resolution of No Objection
 - AHFC Issued Private Activity Bonds
- Partnership RFQ





Loan Typologies – Acquisition

- Current Policy – Loan issued to applicant to acquire land
- Challenges:
 - Loan not tied to construction financing
 - Risk of significant delay
 - Communication with Developer and Monitoring of Construction Process
- Need:
 - Flexibility of funds
 - Timing of taking down land
 - Major portion of awards



Loan Typologies – Acquisition

- Proposal – AHFC retains control
- AHFC may acquire land
 - OR -
- Issue Loan AND Option to Purchase Agreement
- Construction Financing Shot Clock – If Developer misses the deadline, AHFC can develop the site or issue an RFP
- Partnerships must be considered prior to applying for acquisition funds





Loan Typologies – Pre-Development

- Full proposal due at application – Compete with other applications
- Challenges:
 - Extremely early in the development process
 - Increased Risk
 - Details may not be available
- Need:
 - Flexible funds
 - Necessary for smaller developers



Loan Typologies – Pre-Development

- Proposal – Smaller, repayable loans
- Pre-Development loans are capped at \$300,000 – can be approved administratively
- Pre-Development loans mature at close of construction financing or 3 years from date of loan, whichever comes first
- Pre-Development loans may be “repaid” with approved AHFC construction financing



Loan Terms – Construction Financing

- AHFC prefers to issue Construction Loans
- AHFC is willing to be a subordinate lender in nearly all situations
- Current Policy – all loans carry identical terms – Deferred/Forgivable





Loan Terms – Construction Financing

- Proposal – Terms Vary by Loan
- Terms will be negotiated during application process
 - AHFC reserves the right to forgive the loan, in whole or in part
 - Loan will bear interest (typically below market interest rate)
 - Principle may be deferred, may be amortized
- Construction Loan Shot Clock – AHFC may de-obligate the award
- Right of First Refusal



Continuum of Care Units

- Scoring item on Application
- May qualify for increased subsidies
- No minimum number of units
- Requires Memorandum of Understanding with ECHO
 - ECHO identifies appropriate tenant
 - ECHO coordinates services for tenant
 - ECHO identifies rental subsidy
- Low threshold, low incentive





Continuum of Care Units

- Proposal – Address All 3 Legs of the Stool
- Units
 - No Less than 15 Units
 - Memorandum of Understanding with ECHO confirming Housing First
- Services
 - Service Agreement with appropriate Service Provider
 - Dedicated space for service provider (may include on-site living quarters)
- Subsidy
 - Qualify for Local Housing Voucher – NOT GUARANTEED



Lease Addendum

- Tenant Protections consolidated 2019
- Concern over clarity
- Comments received from Housing Providers and Tenant Advocates
- Lease Addendum will be appended to the RHDA Guidelines



Tenant Selection Policy - Process

- Council Resolution – “Fair Chance Housing” – June 11, 2020
- Stakeholder Engagement Meeting – September 29, 2020
- Stakeholder Dialogue – October 2020
- Public Comment –  **SPEAKUP** *Austin!*
- Tenant Selection Policy and Screening Guide will be appended to the RHDA Guidelines



Tenant Selection Policy - Proposal

- Lookback begins from Date of Conviction
- Screening only applies to offenses listed on the Screening Guide
- Applicants denied shall be automatically afforded an opportunity for individualized review





Tenant Selection Policy - Proposal

- Closely following changes to TDHCA regulations regarding PSH
- NOTE: Screening Guide sets MAXIMUM lookback periods. Property Owners may set lower lookback periods for any listed offense.



TYPE	DESCRIPTION	CLASSIFICATION	Family	SRO	CoC
Crimes Against Persons and Family	Murder	Felony: Capital, First, Second	Lifetime	5 Years	None
	Manslaughter	Felony: Second	Lifetime	5 Years	None
	Criminal Negligent Homicide	Felony: State Jail	5 Years	None	None
	Kidnapping, Abduction, Trafficking, Smuggling	Felony: First, Second, Third	Lifetime	5 Years	None
	Assault, Aggravated Assault, Injury to a Child, Elderly Individual, or Disabled Individual	Felony: First, Second, Third	5 Years	3 Years	None
	Assault, Injury to a Child, Elderly Individual, or Disabled Individual	Felony: State Jail; Misdemeanor: A, B	3 Years	1 Year	None
	Forcible Sex Offenses	Felony: First, Second, Third	Lifetime	5 Years	None
	Non-Forcible Sex Offenses	Felony: State Jail; Misdemeanor: A, B	5 Years	1 Year	None
	Deadly Conduct (with a Firearm), Terroristic Threat	Felony: Third, State Jail	5 Years	3 Years	None
	Deadly Conduct, Terroristic Threat	Misdemeanor: A, B	3 Years	1 Year	None
Crimes Against Property	Arson Related Offense	Felony: First, Second, Third, State Jail	Lifetime	5 Years	None
	Destruction/Damage/Vandalism of Property	Felony: First, Second, Third, State Jail	5 Years	1 Year	None
	Armed Robbery Offenses	Felony: First	5 Years	3 Years	None
	Robbery Offenses (no weapon involved)	Felony: Second	3 Years	1 Year	None
	Burglary (of habitation)	Felony: First, Second	5 Years	3 Years	None
	Burglary	Felony: Third, State Jail	3 Years	1 Year	None
	Criminal Trespass (of habitation)	Misdemeanor: A	1 Year	None	None
	Theft, Stolen Property, Fraud Related Offense	Felony: First, Second, Third, State Jail	3 Years	1 Year	None
Crimes Against Society	Prostitution Related Offenses	Felony: First, Second, Third, State Jail	3 Years	1 Year	None
	Stalking	Felony: Second, Third	3 Years	1 Year	None
	Drug Manufacture, Distribution, Possession, Possession with Intent to Distribute	Felony: First, Second, Third	5 Years	3 Years	None
	Drug Manufacture, Distribution, Possession, Possession with Intent to Distribute	Felony: State Jail; Misdemeanor: A, B	1 Year	None	None
	DUI and/or DWI Related Offenses	Felony: Third, State Jail	1 Year	None	None

Next Steps



Next Steps

-  | **SPEAKUP** *Austin!* Public Engagement page is open NOW
- Collect public comment
- Annual HDA meeting December 9
- Meeting will be recorded
- New Guidelines go into effect January 1, 2021
- Next Application deadline: February 5, 2021

Questions?



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Thank You